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CH/D/E  
For Approval  
J. Brown

EDIC/M-6  
Control No.  
16 February 1955

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 6th Meeting

10:15 - 11:45, 11 February 1955

PRESENT

25X1A9a

[REDACTED]

Lt. Col. Brown, OSD  
Miss Baldwin, FOA  
Mr. Tilson, FOA/MDAC  
Mr. Reiss, Commerce  
Mr. Herman, Commerce  
Mrs. Young, State/ECD  
Mr. Coster, State/ECD

1. REPORT ON CURRENT STATUS OF COPPER NEGOTIATIONS

Discussion - The Acting Chairman reviewed the present status of JOC discussions and of [REDACTED] negotiations regarding controls on 25X1X7 copper. He stated that JOC is preparing a negotiating paper for use in COCOM, that a State representative has discussed the matter with 25X1X7 [REDACTED] and that the Economic Defense Division, ORR, is preparing supporting material <sup>relating to clandestine trade</sup> on a case basis. State and CIA representatives 25X1X7 [REDACTED] to discuss the entire copper problem with 25X1X7 [REDACTED] This will be an intelligence exercise, not a negotiating session.

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2. APPROACH TO EDIC PAPER ON CRITERIA FOR CHINA LIST

Discussion - The Acting Chairman briefly reviewed the discussion of this subject at the 18 January meeting of EDIC. He reported that State and CIA had now agreed to produce a paper which will be reviewed by EDIC and then forwarded to the Executive Committee. Both the category and individual item approach will be employed, as appropriate, in formulating criteria. The Acting Chairman explained that EDIC will be kept advised of the progress of this joint paper.

25X1X7 3. PROPOSED [REDACTED] EXCHANGE OF INFORMATION ON CHINA TRADE

Discussion - The Executive Secretary distributed Intelligence Request No. 4 which transmits for EDIC consideration an MDAC request of 7 February. Mr. Tilson referred to POLTO A-379 of 11 January which furnished the basis for the MDAC submission to EDIC.

25X1X7 Briefly, the [REDACTED] has

proposed to the USDEL an exchange of statistical information on the volume of commerce in strategic commodities to China via the European Soviet bloc. [REDACTED]

25X1X7 [REDACTED] has supplied some information and has urged that similar US information be supplied him in return. He has suggested also the desirability of further bilateral or trilateral discussions on the subject. USRO/ST has requested Washington comments on the proposed exchange which the Executive Committee on 4 February tentatively approved subject to concurrence by the intelligence community. MDAC has

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25X1X7

requested an EDIC project to include evaluation of information furnished by [REDACTED] and preparation of a paper which could be furnished in return.

Mr. Tilson reported that USRO/ST and MDAC favored such an exchange in order to obtain additional information from [REDACTED] 25X1X7 and to furnish psychological support [REDACTED] who has proved 25X1X7 a staunch friend of the U.S. [REDACTED] A draft TOPOL has been drafted 25X1X7 which seeks to elicit additional information for evaluating the information already provided by [REDACTED]. 25X1X7

The Acting Chairman declared that this exchange should be the responsibility of FOA/MDAC and not of the intelligence community. He cautioned the members that if extracts for this purpose are to be taken from the EIC R-1 series approval must be obtained for release of such material from contributing agencies and from [REDACTED] 25X1X7

25X1X7

In the context of this MDAC request and of the CG resolution reference was made to to discuss Soviet trade tactics, [REDACTED] inquiry concerning an informal exchange of information on Soviet-satellite financial relations.

Action - The Acting Chairman agreed to contact the EIC regarding use of extracts from the EIC R-1 series and requested Mr. Tilson to inquire into the use of DCN facilities for purposes of this exchange.

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It was further agreed that this MDAC request would be formalized as an EDIC case but would be held in suspense pending a response to the requirements sent to USRO/ST.

4. DISTRIBUTION AND/OR DISCUSSION OF OTHER EDIC PAPERS

A) EDIC/WP-1, Soviet Production of Jeeps - A draft working paper, prepared from materials developed by CIA, AFOIN, and G-2, had been distributed prior to the meeting. Mr. Reiss declared that this paper was very useful to the Bureau of Foreign Commerce in re-evaluating the strategic rating of this type vehicle. [REDACTED] referred to 25X1A9a

25X1A2g

[REDACTED] which furnished additional information on the USSR-Icelandic trade agreement. Members were requested to indicate their reaction to the draft paper by 16 February and, in addition, their interest in receiving photographic material on Soviet-produced "jeeps".

b) EDIC/AM-4, Statement on Distribution of Current Economic Defense Intelligence to Action Agencies - The Executive Secretary reported that this memorandum had been accepted by all member agencies.

c) EDIC/AM-5, Transmittal of "Alphabetical Index to Strategic Commodities" - Members were provided copies of an alphabetical index based upon the several U.S. and international security export control lists in use as of 30 November 1954. This index, prepared in CIA, will be reproduced in quantity to fill the needs of member agencies.

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d) EDIC/ID-10, ONI Contribution - "Finnish Merchant Ships for Communist China" - Distribution of this intelligence item evoked a discussion of the effectiveness of bunker controls in preventing Chinese Communist acquisition of both vessels and strategic cargoes.

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25X6A agreed that an EDIC study on [REDACTED] (particularly in light of the Balikpapan situation) would be pertinent. The Acting Chairman suggested, however, that this study be held in suspense.

5. OTHER INTELLIGENCE MATTERS

a) Mr. Reiss reported on recent Paris talks concerning Consolidation of the China Special List. These discussions were concerned with technical rather than policy considerations.

b) The Executive Secretary suggested that all IWG and EDIC subgroups be dissolved. A list of all such subgroups will be distributed with members to indicate their reaction to this suggestion.

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[REDACTED]

Distribution

Cat. B - (1-12)(M/NF,S/TR,I/TH)  
C - (1,2,5)  
D - (All)  
E - (1-3,4c,6)

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